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Rep. Charlie Brown, Chair
Rep. William Crawford
Rep. Susan Crosby
Rep. John Day
Rep. Craig Fry
Rep. Brian Hasler
Rep. Win Moses
Rep. Rolland Webber
Rep. Vaneta Becker
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Rep. Timothy Brown
Rep. Mary Kay Budak
Rep. David Frizzell
Rep. Gloria Goeglein
Rep. Nick Gulling
Sen. Steven Johnson, Vice-Chair
Sen. Beverly Gard
Sen. Teresa Lubbers
Sen. Morris Mills
Sen. Marvin Riegsecker
Sen. Richard Worman
Sen. Joseph Zakas
Sen. Glenn Howard
Sen. Earline Rogers
Sen. Vi Simpson
Sen. Mark Blade



HEALTH FINANCE COMMISSION

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MEETING MINUTES

Meeting Date: October 20, 1998
Meeting Time: 1:00 P.M.
Meeting Place: Ivy Tech State College
Meeting City: Gary, Indiana
Meeting Number: 6

Members Present: Rep. Charlie Brown, Chairperson; Rep. William Crawford; Rep. Susan Crosby; Rep. Mary Kay Budak; Rep. Gloria Goeglein; Sen. Steven Johnson, Vice-Chairperson; Sen. Marvin Riegsecker; Sen. Richard Worman; Sen. Joseph Zakas; Sen. Earline Rogers.

Members Absent: Rep. Win Moses; Rep. Brian Hasler; Rep. John Day; Rep. Craig Fry; Rep. Rolland Webber; Rep. Vaneta Becker; Rep. Timothy Brown; Rep. Nick Gulling; Rep. Robert Behning; Rep. David Frizzell; Sen. Teresa Lubbers; Sen. Morris Mills; Sen. Beverly Gard; Sen. Glenn Howard; Sen. Vi Simpson; Sen. Mark Blade.

Public Testimony on the Children's Health Insurance Program

Rep. Brown called the meeting to order at 1:05 P.M. and introduced the members of the Commission. He explained the history of the Children's Health Insurance Program (CHIP) and the purpose of the meeting.

Sandra Irons, Mental Health Association in Lake County, distributed a copy of her testimony to Commission members.¹ Ms. Irons stressed the need for mental health

¹A copy of the handout is on file in the Legislative Information Center, Room 230 of the State House, Indianapolis, Indiana. The telephone number of the Legislative Information Center is (317) 232-9856 and the mailing address is 200 W. Washington, Ste. 301, Indianapolis, Indiana, 46204-2789.

parity in CHIP. She presented statistics regarding numbers of individuals with mental illness and the need for early treatment to prevent problems later in life. Ms. Irons stated that she would like full mental health parity in future legislation. In response to questions from Rep. Crawford, Ms. Irons stated that if full parity led to limited funds with higher copayments or waiting lists in the future, she would still recommend full parity at this point because mental illness should be covered at the same level as physical illness.

John Betjemann, Methodist Hospital, Gary and Merrillville, stated that, when considering CHIP benefits, those creating the benefits should remember that "one size does not fit all". Mr. Betjemann explained that Lake County has a higher concentration of individuals in lower socioeconomic groups, and that there is no tax-supported hospital to care for individuals with little or no resources to pay for health care. He stated that Methodist Hospital is a private hospital which serves a public purpose and that there is a limited amount that can be accomplished with the funds that Methodist Hospital is allotted. In response to questions from Sen. Johnson, Rep. Crawford, and Rep. Brown, Mr. Betjemann stated that: (a) disproportionate share, enhanced disproportionate share, and health care for the indigent (HCI) funding is dropping each year, which makes it increasingly difficult to provide services; (b) CHIP reimbursement to hospitals for inpatient care will not offset these funding decreases because of increasing outpatient care; (c) benefits of maintenance of higher institutional caps on enhanced disproportionate share funds are offset by increased numbers of institutions receiving the funds. Mr. Betjemann stated that Methodist Hospital's Chief Financial Officer would send a letter to the Commission answering these questions in greater depth.

Terry Schechner, D.D.S., Indiana Dental Association, stressed the need for, and rarity of, continuity of care and preventive dental care in children. In response to questions from Rep. Goeglein, Rep. Crosby, Rep. Budak, Rep. Crawford, and Sen. Worman, Dr. Schechner stated that: (a) dental screenings in schools are possible, but the equipment that would be necessary to provide a dental screening site in each school is very expensive and it may be less expensive to do screenings in dentists' offices; (b) dentists are gradually returning to the Medicaid program after leaving the program due to reimbursement rates that did not cover expenses; (c) it is important to keep CHIP simple for patients to receive services and dentists to provide services as this leads to stability of the provider pool and improved participation by patients; (d) if reimbursement is fair, increased numbers of dentists will participate; (e) community health centers which provide dental services are appropriate primary care dentists.

Rep. Brown mentioned that the definition of "dental screening" seems to be different in different conversations. This should be a consideration in discussions regarding dental screenings in schools.

Steve Simpson, M.D., Pediatrician, Gary, Indiana, stated that outreach efforts are extremely important. He explained that there is a large population of children in Lake County that qualify for public assistance, but are not enrolled due to inadequate outreach. He stated that enrollment centers should be located where the people are and encouraged the expenditure of funds to pay people to do outreach and enrollment. In response to questions from Rep. Crawford and Sen. Worman, Dr. Simpson stated that:

(a) there are three areas in Gary which are designated medically underserved areas, but that he believes that there are sufficient providers to provide care and that people will travel to receive care if they have the resources; (b) transportation and outreach are both important because they are both part of getting the patient to the provider; (c) there is no federally qualified community health center in Gary, though an application has been submitted in the past.

Rise Ross, Northwest Indiana Healthy Start Program, stressed two issues: (1) the importance of care coordination in adolescents who are pregnant, which is not addressed in the current Governor's Panel recommendations; (2) transportation for preventive and routine care should be considered, but transportation is not covered in the current Governor's Panel recommendations except in emergency situations. In response to questions from Rep. Budak and Sen. Worman, Ms. Ross stated that: (a) the public transportation system in Lake County does not extend far enough to cover all of the transportation needs; (b) work is being done toward obtaining approval for a federally qualified community health center in Gary.

Lee Strawhun, Southlake Center for Mental Health, distributed a copy of his testimony.² Mr. Strawhun stressed the need for explicit, nondiscriminatory coverage for mental illness in addition to physical illness. He mentioned that the expected cost of full parity in CHIP is below ten percent across the country with differences depending on the level of managed care utilized. Mr. Strawhun explained that the mental health benefits in the current Governor's Panel recommendations will not cover treatment for most mental illnesses because most mental illnesses, especially in children, do not respond within 60 days. He stated that there is a wide disparity across Indiana in individuals who are eligible for treatment and those who actually receive treatment. Mr. Strawhun questioned whether children who are eligible for CHIP will actually receive CHIP benefits because it is not an entitlement program. He asked how equity would be achieved within the amounts available to fund CHIP. In response to questions from Sen. Johnson, and Rep. Goeglein, Mr. Strawhun stated that: (a) costs of mental health care are higher in children because the maturation process lengthens the amount of time that treatment is required; (b) he estimates that an \$80 premium would increase to approximately \$85 to add full mental health parity with a "somewhat managed" health care program; (c) overall costs of mental health care may decrease if treatment occurs earlier in life.

Judy Stanton, Lake County Welfare to Employment Council, mentioned that the difference between the Governor's Panel recommendations on the benefit structures in the two phases of CHIP is of concern to her. She stated that the phase I expanded Medicaid benefits provide greater coverage than the phase II benefits for those between 150% and 200% of federal poverty. She described problems which might occur for individuals with fluctuating incomes moving from one set of benefits to another. Ms. Stanton raised the issue of whether any particular income would be disregarded in the income test for phase II benefits. She mentioned that an actuarial study to compare with the Mercer study might be beneficial. Ms. Stanton also questioned how U.S.-born

²A copy of the handout is on file in the Legislative Information Center (see footnote 1).

children of undocumented aliens could be enrolled. She recommended that: (a) preparations for future programs be made now so that start-up of the programs would not be delayed; (b) enrollment sites be provided with training and financial resources to provide for enrollment and needed follow-up; (c) nonphysician providers be used more widely in the program; (d) the proposed development of a single administration for all child health care programs be delayed until after full implementation of CHIP to prevent delays and confusion in the implementation process. In response to questions from Sen. Riegsecker and Rep. Crawford, Ms. Stanton stated that: (a) funds should be allocated to human resources for enrollment and outreach; (b) application forms for various programs should be combined; (c) initial administration of CHIP by OMPP is reasonable until a single administration is developed; (d) discrimination in care based on reimbursement at different levels in the CHIP program concerns her.

Sen. Johnson stated that he believes that discrimination in care based on reimbursement would be extremely rare and that preparations would need to be made for fluctuations in income and waiting periods for changing from one phase to the other due to income fluctuations. Rep. Crawford raised the issue of whether income decreases would actually cause a problem if the children would then become entitled to participation in the Medicaid program.

Mimi Gardner-Suggs, Tri City Mental Health Center, distributed a copy of her testimony.³ Ms. Gardner-Suggs stated that the mental health coverage in the current Governor's Panel recommendations is not adequate because most mental illness does not respond within 60 days. She made four recommendations: (1) increase the number of inpatient hospitalization days to 30/year; (2) increase the amount of time for response for outpatient treatment to 6 months and provide utilization review of necessity of visits to extend beyond 45 visits/year; (3) increase partial hospitalization days to 6 months with utilization review to extend beyond 6 months; (4) consider the need for a continuum of care from prevention and education through outpatient and inpatient care.

Katie Humphries, Chairperson, Governor's Panel on CHIP, expressed her appreciation for the input from those testifying, summarizing the remarks. She mentioned that the Governor's Panel recognizes that "one size doesn't fit all" and the need to look for blended funding opportunities.

Rep. Budak expressed her appreciation for the opportunity to hear from this region of the state. Sen. Johnson remarked on the administrative structure of CHIP and the need for communities to decide how to do outreach and organize the program within their own communities with support from the state. Rep. Crawford explained the importance of proceeding with CHIP despite the fact that all objections cannot be resolved immediately. Sen. Worman discussed the relationship of mental health parity in state employee health benefits and in CHIP.

With no further business to discuss, Rep. Brown adjourned the meeting.

³A copy of the handout is on file in the Legislative Information Center (see footnote 1).